



Strategic Alliance – Police and the Offices of the Police & Crime Commissioner

Draft Internal Audit Plan - 2018/19

Internal Audit ■ Risk ■ Special Investigations ■ Consultancy

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Summary

The Internal Audit Plan represents a summary of the planned audit reviews that the internal audit team will deliver throughout the 2018/19 financial year.

For 2018/19, we have structured our draft plan around seven themes; which attempt to summarise the overall objectives of both force's plans, visions and strategic priorities.



Background and Approach to Audit Planning 2018/19

Internal Audit provides an independent and objective opinion on risk management, governance, and the control environment by evaluating its effectiveness.

Prior to the start of each financial year, SWAP, in conjunction with management, put together a proposed plan of audit work to provide assurance over a range of areas encompassing risk management, governance and internal control. This plan of work is constructed following review of the relevant Force and PCC risk registers, as well as using SWAP's own risk assessment from our work across other Police forces and public-sector partners. We also look to accommodate specific requests for assurance or advisory work from management. As with previous years, the plan will remain flexible to respond to new and emerging risks as and when they are identified.

For the 2018/19 Internal Audit Plan, we have looked to align our programme of work with seven key themes that we have identified as appearing across the plans, visions and priorities of both forces and OPCC's. This alignment helps to ensure that internal audit work continues to focus on the areas of highest strategic priority, along with the associated objectives and risks. The seven themes we have identified are:

- **Protecting People**
- **Communities**
- **Victims and Witnesses**
- **Quality of Service**
- **Prevention**
- **Standards, Ethics & Governance**
- **National Requirements**

The outcomes of each of the audits in our planned programme of work, will provide officers and members with assurance that the current risks faced by the Alliance in these areas are adequately controlled and managed. It will also allow us to form our overall end-of-year audit opinion.

It should be noted that the audit titles, scopes and plan days are only indicative at this stage for planning our resources. At the start of each audit, an initial discussion will be held to agree the specific terms of reference for the piece of work, which includes the objective and scope for the review.

Alongside our annual audit plan, we have included our Internal Audit Charter (**Appendix 1**). This includes the role, responsibility and status of internal audit within the Alliance and OPCC.

Link to Alliance Theme	Areas of Coverage and Brief Rationale	Force/ OPCC	Total Days 18/19
Protecting People	Firearms Licensing <i>A review of the operational controls and risk management of firearms licensing across the Alliance</i>	Alliance	15
	Management and Implementation of Significant Recommendations <i>A review of progress to implement a robust and encompassing process to identify, record, track and manage all significant recommendations received by the Alliance internally or externally</i>	Alliance/ OPCC's	12
Communities	Delivery of Police & Crime Plans <i>A broad review of the delivery progress of the Police and Crime Plans against objectives</i>	OPCC's	20
	Grant Funding <i>A review of the governance, process and controls surrounding the allocation and management of grant funding, and assurance over relevant grant claim returns submitted to Government</i>	OPCC's	15
Victims and Witnesses	Local Criminal Justice Board Compliance to Victims Code <i>A review assessing the ongoing work in this area, including the assurance framework applied and the implementation of actions arising</i>	OPCC's	10
Quality of Service	Key Financial Control Reviews <i>To include: Debtors, Creditors, Payroll, Main Accounting, Budget Monitoring & Pensions</i>	Alliance	100
	Agresso Reconfiguration Project <i>A review of the strategy/ project to assess the progress against objectives</i>	Alliance	10
	Strategic Alliance Benefits Realisation <i>A review assessing progress against the business case, focussing on financial benefits and providing assurance over the calculation, data quality and reporting of cashable financial savings</i>	Alliance	20
	Digital Enabling Technology portfolio <i>A review of the progress of this programme of work</i>	Alliance	15

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	STORM – Move to Single Command & Control (implementing STORM in Dorset) <i>A review of the progress of the move towards a single command and control system</i>	Alliance	15
	ICT Disaster Recovery <i>A review of the current converged controls in place for ICT Disaster Recovery</i>	Alliance	15
	Stability and Security of Force/OPCC Information Assets and Systems <i>A review of the revised risk-based approach towards the Information Assurance programme</i>	Alliance/ OPCC's	10
	Trainer & Consultants Spend <i>A review of control of use and costs in this area, to include governance and value for money considerations</i>	Alliance	15
	Contract Monitoring <i>A regional audit to include the procurement involvement and contract management arrangements of a sample of significant Force contracts to ensure the arrangements are joined up and delivering business need</i>	Alliance	20
	File & Property Tracking System <i>A review of the adequacy of the system in terms of data integrity and the necessary management of risk</i>	DCP	12
	Overtime Arrangements <i>A review of overtime arrangements, including the planning, authorisation and reporting of overtime spend</i>	Alliance	15
	Inventories <i>Providing advice and guidance on the risks and opportunities of putting in place an effective, proportionate inventory system for the Alliance</i>	Alliance	10
	Police Pensions Administration <i>A review of the data transfer arrangements between Police Pension Providers, including data accuracy and integrity</i>	Alliance	8
Prevention	Partnership Working and Collaborations <i>A review of the OPCC Partnership Strategies – are these operating effectively and as described</i>	OPCC's	20

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Standards, Ethics & Governance	Fuel Cards <i>A review of the controls surrounding the use and monitoring of fuel cards</i>	Alliance	15
	Chiefs Charities Follow Up <i>A follow up review to assess the operation of the new governance arrangements in place</i>	Alliance	5
	Counter Fraud Controls <i>Audit review and advice in relation to some of the key areas of common national fraud. To assess the controls in these areas to identify, mitigate and respond to these fraud risks. To include payroll checks, change of bank details, and checks of staff qualifications, amongst other areas</i>	Alliance	20
National Requirements	Data Protection - Law Enforcement Directive <i>A review of readiness to comply with the upcoming Law Enforcement Directive</i>	Alliance/ OPCC's	12
	Modern Apprentices <i>A review of the existing grant mechanism, and processes to identify any current opportunities for reclaim</i>	Alliance	10
Other	Quarterly Follow Up of Priority 4 & 5 Recommendations	Alliance/ OPCC's	25
	Planning, Reporting & Ad Hoc Advice	Alliance/ OPCC's	40
	Contingency for Emerging Risks/ Audits	Alliance/ OPCC's	40

The Internal Audit Charter

Purpose

The purpose of this Charter is to set out the nature, role, responsibility, status and authority of internal auditing within Devon & Cornwall Police and The Office of the Police & Crime Commissioner, and Dorset Police and The Office of the Police & Crime Commissioner, and to outline the scope of internal audit work.

Approval

This Charter was last approved by the Audit Committee on 1st September 2017 and is reviewed each year to confirm it remains accurate and up to date.

Provision of Internal Audit Services

The internal audit service is provided by the South West Audit Partnership Limited (SWAP). SWAP is a Local Authority controlled company. This charter should be read in conjunction with the Service Agreement, which forms part of the legal agreement between the SWAP partners.

The budget for the provision of the internal audit service is determined by Devon & Cornwall Police and Dorset Police ('the forces') and OPCC's, in conjunction with the Members Meeting. The general financial provisions are laid down in the legal agreement, including the level of financial contribution by the forces and OPCC's, and may only be amended by unanimous agreement of the Members Meeting. The budget is based on an audit needs assessment that was carried out when determining the force's and OPCC's level of contribution to SWAP. This is reviewed each year by the forces SWAP representative/(s) in consultation with the Chief Executive of SWAP.

Role of Internal Audit

The Accounts and Audit (England) Regulations 2015, state that: *"A relevant authority must undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account the public sector internal auditing standards or guidance."*

Internal audit is an independent, objective assurance and consulting activity designed to add value and improve the operations of the two forces and OPCC's. It helps the forces and OPCC's accomplish its objectives by bringing a systematic disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.

Responsibilities of Management and of Internal Audit

Management¹

Management is responsible for determining the scope, except where specified by statute, of internal audit work and for deciding the action to be taken on the outcome of, or findings from, their work. Management is responsible for ensuring SWAP has:

- the support of management; and
- direct access and freedom to report to senior management, including the Chief Constables, the Police & Crime Commissioners and the Independent Audit Committee.

Management is responsible for maintaining internal controls, including proper accounting records and other management information suitable for running the Police forces and Offices. Management is also responsible for the appropriate and effective management of risk.

Internal Audit

Internal audit is responsible for operating under the policies established by management in line with best practice.

Internal audit is responsible for conducting its work in accordance with the Code of Ethics and Standards for the Professional Practice of Internal Auditing as set by the Institute of Internal Auditors and further guided by

¹ In this instance Management refers to the Chief Constable and the Police & Crime Commissioner

interpretation provided by the Public Sector Internal Audit Standards (PSIAS); SWAP has been independently assessed and found to be in Conformance with the Standards.

Internal audit is not responsible for any of the activities which it audits. SWAP staff will not assume responsibility for the design, installation, operation or control of any procedures. Members of SWAP who have transferred in to the department from other areas of the forces or OPCC's will not be asked to review any aspects of their previous department's work until one year has passed since they left that area.

Relationship with the External Auditors/Other Regulatory Bodies

Internal Audit will co-ordinate its work with others wherever this is beneficial to the organisation.

Status of Internal Audit in the Organisation

The Chief Executive of SWAP is responsible to the SWAP Board of Directors and the Members Meeting. The Chief Executive of SWAP and the Assistant Director also report to the Treasurers, and to the Independent Audit Committee as set out below.

The Assistant Director will be the first and primary point of contact for the forces and OPCC's for all matters relating to the Independent Audit Committee, including the provision of periodic reports. The Assistant Director is also responsible for the design, development and delivery of audit plans, subject to the agreement of the partner or client.

Scope and authority of Internal Audit work

There are no restrictions placed upon the scope of internal audit's work. SWAP staff engaged on internal audit work are entitled to receive and have access to whatever information or explanations they consider necessary to fulfil their responsibilities to senior management. In this regard, internal audit may have access to any records, personnel or physical property of the forces or OPCC's.

Internal audit work will normally include, but is not restricted to:

- reviewing the reliability and integrity of financial and operating information and the means used to identify, measure, classify and report such information;
- evaluating and appraising the risks associated with areas under review and make proposals for improving the management of risks;
- appraise the effectiveness and reliability of the enterprise risk management framework and recommend improvements where necessary;
- assist management and Members to identify risks and controls with regard to the objectives of the Forces and its services;

- reviewing the systems established by management to ensure compliance with those policies, plans, procedures, laws and regulations which could have a significant impact on operations and reports, and determining whether the forces and OPCC's are in compliance;

- reviewing the means of safeguarding assets and, as appropriate, verifying the existence of assets;

- appraising the economy, efficiency and effectiveness with which resources are employed;

- reviewing operations or programmes to ascertain whether results are consistent with established objectives and goals and whether the operations or programmes are being carried out as planned.

- reviewing the operations of the Force in support of the anti-fraud and corruption policy.

- at the specific request of management, internal audit may provide consultancy services provided:
 - the internal auditor's independence is not compromised
 - the internal audit service has the necessary skills to carry out the assignment, or can obtain such skills without undue cost or delay
 - the scope of the consultancy assignment is clearly defined and management have made proper provision for resources within the annual audit plan

- management understand that the work being undertaken is not internal audit work.

Planning and Reporting

SWAP will submit to the Independent Audit Committee, for approval, an annual internal audit plan, setting out the recommended scope of their work in the period.

The annual plan will be developed with reference to the risks the organisation will be facing in the forthcoming year, whilst providing a balance of current and on-going risks, reviewed on a cyclical basis. The plan will be reviewed on a quarterly basis to ensure it remains adequately resourced, current and addresses new and emerging risks.

SWAP will carry out the work as agreed, report the outcome and findings, and will make recommendations on the action to be taken as a result to the appropriate manager. SWAP will report at least four times a year to the Independent Audit Committee. SWAP will also report a summary of their findings, including any persistent and outstanding issues, to the Independent Audit Committee on a regular basis.

Internal audit reports will normally be by means of a brief presentation to the relevant manager accompanied by a detailed report in writing. The detailed report will be copied to the relevant line management, who will already have been made fully aware of the detail and whose co-operation in preparing the summary report will have been sought. The detailed report will also be copied to the Treasurer, Chief Finance Officer and the representative of the OPCC Chief Executive and to other relevant line management.

The Assistant Director of SWAP will submit an annual report to the Independent Audit Committee providing an overall opinion of the status of risk and internal control, based on the internal audit work conducted during the previous year.

In addition to the reporting lines outlined above, the Chief Executive of SWAP and the Assistant Director have the unreserved right to report directly to the Chief Constable, the Police & Crime Commissioner, the Chair of the Independent Audit Committee, the Chief Executive or the External Audit Manager.

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